

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Milton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: January 7, 2022

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on November 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a slight revision to the generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Milton Retirement System January 1, 2021 Actuarial Valuation

Total cost increasing 6.0% until FY25 with a final amortization payment in FY26

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. UAL	Total Cost	Unfunded Act. Liab.	Total Cost % Increase
2022	3,068,700	100,000	4,323,955	7,492,655	21,146,956	
2023	3,206,792	100,000	4,635,423	7,942,214	18,102,616	6.0%
2024	3,351,097	100,000	4,967,650	8,418,747	14,519,249	6.0%
2025	3,501,897	100,000	5,321,975	8,923,872	10,337,401	6.0%
2026	3,659,482	100,000	5,615,868	9,375,349	5,492,053	5.1%
2027	3,824,159	100,000		3,924,159	0	-58.1%
2028	3,996,246	100,000		4,096,246	0	4.4%

All amounts assume payments will be made November 1 of each fiscal year.

Normal cost includes expenses of \$725,000 and is assumed to increase 4.5% each year.

FY22 appropriation maintained at the same level as the current schedule.